

105TH CONGRESS  
2D SESSION

# S. 2107

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IN THE HOUSE OF REPRESENTATIVES

OCTOBER 21, 1998

Referred to the Committee on Government Reform and Oversight

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## AN ACT

To enhance electronic commerce by promoting the reliability and integrity of commercial transactions through establishing authentication standards for electronic communication, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Government Paper-  
5       work Elimination Act”.

1 **SEC. 2. AUTHORITY OF OMB TO PROVIDE FOR ACQUISITION**  
2 **AND USE OF ALTERNATIVE INFORMATION**  
3 **TECHNOLOGIES BY EXECUTIVE AGENCIES.**

4 Section 3504(a)(1)(B)(vi) of title 44, United States  
5 Code, is amended to read as follows:

6 “(vi) the acquisition and use of infor-  
7 mation technology, including alternative in-  
8 formation technologies that provide for  
9 electronic submission, maintenance, or dis-  
10 closure of information as a substitute for  
11 paper and for the use and acceptance of  
12 electronic signatures.”.

13 **SEC. 3. PROCEDURES FOR USE AND ACCEPTANCE OF ELEC-**  
14 **TRONIC SIGNATURES BY EXECUTIVE AGEN-**  
15 **CIES.**

16 (a) IN GENERAL.—In order to fulfill the responsibil-  
17 ity to administer the functions assigned under chapter 35  
18 of title 44, United States Code, the provisions of the  
19 Clinger-Cohen Act of 1996 (divisions D and E of Public  
20 Law 104–106) and the amendments made by that Act,  
21 and the provisions of this Act, the Director of the Office  
22 of Management and Budget shall, in consultation with the  
23 National Telecommunications and Information Adminis-  
24 tration and not later than 18 months after the date of  
25 enactment of this Act, develop procedures for the use and  
26 acceptance of electronic signatures by Executive agencies.

1 (b) REQUIREMENTS FOR PROCEDURES.—(1) The  
2 procedures developed under subsection (a)—

3 (A) shall be compatible with standards and  
4 technology for electronic signatures that are gen-  
5 erally used in commerce and industry and by State  
6 governments;

7 (B) may not inappropriately favor one industry  
8 or technology;

9 (C) shall ensure that electronic signatures are  
10 as reliable as is appropriate for the purpose in ques-  
11 tion and keep intact the information submitted;

12 (D) shall provide for the electronic acknowledg-  
13 ment of electronic forms that are successfully sub-  
14 mitted; and

15 (E) shall, to the extent feasible and appro-  
16 priate, require an Executive agency that anticipates  
17 receipt by electronic means of 50,000 or more sub-  
18 mittals of a particular form to take all steps nec-  
19 essary to ensure that multiple methods of electronic  
20 signatures are available for the submittal of such  
21 form.

22 (2) The Director shall ensure the compatibility of the  
23 procedures under paragraph (1)(A) in consultation with  
24 appropriate private bodies and State government entities

1 that set standards for the use and acceptance of electronic  
2 signatures.

3 **SEC. 4. DEADLINE FOR IMPLEMENTATION BY EXECUTIVE**  
4 **AGENCIES OF PROCEDURES FOR USE AND**  
5 **ACCEPTANCE OF ELECTRONIC SIGNATURES.**

6 In order to fulfill the responsibility to administer the  
7 functions assigned under chapter 35 of title 44, United  
8 States Code, the provisions of the Clinger-Cohen Act of  
9 1996 (divisions D and E of Public Law 104–106) and the  
10 amendments made by that Act, and the provisions of this  
11 Act, the Director of the Office of Management and Budget  
12 shall ensure that, commencing not later than five years  
13 after the date of enactment of this Act, Executive agencies  
14 provide—

15 (1) for the option of the electronic maintenance,  
16 submission, or disclosure of information, when prac-  
17 ticable as a substitute for paper; and

18 (2) for the use and acceptance of electronic sig-  
19 natures, when practicable.

20 **SEC. 5. ELECTRONIC STORAGE AND FILING OF EMPLOY-**  
21 **MENT FORMS.**

22 In order to fulfill the responsibility to administer the  
23 functions assigned under chapter 35 of title 44, United  
24 States Code, the provisions of the Clinger-Cohen Act of  
25 1996 (divisions D and E of Public Law 104–106) and the

1 amendments made by that Act, and the provisions of this  
2 Act, the Director of the Office of Management and Budget  
3 shall, not later than 18 months after the date of enact-  
4 ment of this Act, develop procedures to permit private em-  
5 ployers to store and file electronically with Executive agen-  
6 cies forms containing information pertaining to the em-  
7 ployees of such employers.

8 **SEC. 6. STUDY ON USE OF ELECTRONIC SIGNATURES.**

9 (a) ONGOING STUDY REQUIRED.—In order to fulfill  
10 the responsibility to administer the functions assigned  
11 under chapter 35 of title 44, United States Code, the pro-  
12 visions of the Clinger-Cohen Act of 1996 (divisions D and  
13 E of Public Law 104–106) and the amendments made by  
14 that Act, and the provisions of this Act, the Director of  
15 the Office of Management and Budget shall, in coopera-  
16 tion with the National Telecommunications and Informa-  
17 tion Administration, conduct an ongoing study of the use  
18 of electronic signatures under this title on—

- 19 (1) paperwork reduction and electronic com-  
20 merce;  
21 (2) individual privacy; and  
22 (3) the security and authenticity of trans-  
23 actions.

1 (b) REPORTS.—The Director shall submit to Con-  
2 gress on a periodic basis a report describing the results  
3 of the study carried out under subsection (a).

4 **SEC. 7. ENFORCEABILITY AND LEGAL EFFECT OF ELEC-**  
5 **TRONIC RECORDS.**

6 Electronic records submitted or maintained in ac-  
7 cordance with procedures developed under this Act, or  
8 electronic signatures or other forms of electronic authen-  
9 tication used in accordance with such procedures, shall not  
10 be denied legal effect, validity, or enforceability because  
11 such records are in electronic form.

12 **SEC. 8. DISCLOSURE OF INFORMATION.**

13 Except as provided by law, information collected in  
14 the provision of electronic signature services for commu-  
15 nications with an executive agency, as provided by this  
16 Act, shall only be used or disclosed by persons who obtain,  
17 collect, or maintain such information as a business or gov-  
18 ernment practice, for the purpose of facilitating such com-  
19 munications, or with the prior affirmative consent of the  
20 person about whom the information pertains.

21 **SEC. 9. APPLICATION WITH INTERNAL REVENUE LAWS.**

22 No provision of this Act shall apply to the Depart-  
23 ment of the Treasury or the Internal Revenue Service to  
24 the extent that such provision—

1           (1) involves the administration of the internal  
2 revenue laws; or

3           (2) conflicts with any provision of the Internal  
4 Revenue Service Restructuring and Reform Act of  
5 1998 or the Internal Revenue Code of 1986.

6 **SEC. 10. DEFINITIONS.**

7 For purposes of this Act:

8           (1) **ELECTRONIC SIGNATURE.**—The term “elec-  
9 tronic signature” means a method of signing an  
10 electronic message that—

11               (A) identifies and authenticates a particu-  
12 lar person as the source of the electronic mes-  
13 sage; and

14               (B) indicates such person’s approval of the  
15 information contained in the electronic message.

16           (2) **EXECUTIVE AGENCY.**—The term “Executive  
17 agency” has the meaning given that term in section  
18 105 of title 5, United States Code.

Passed the Senate October 15 (legislative day, Octo-  
ber 2), 1998.

Attest:

GARY SISCO,  
*Secretary.*